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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

AZ CORP COMMISSION
DOCKET COMMISSION

2014 JUN 30 PM 2 53

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
GRANITE MOUNTAIN WATER COMPANY, INC.
FOR APPROVAL OF A RATE INCREASE.

) DOCKET NO. W-02467A-09-0333

IN THE MATTER OF THE APPLICATION OF
GRANITE MOUNTAIN WATER COMPANY, INC.
FOR APPROVAL OF FINANCINGS.

) DOCKET NO. W-02467A-09-0334

IN THE MATTER OF THE APPLICATION OF
GRANITE MOUNTAIN WATER COMPANY, INC.
FOR AUTHORITY TO INCUR LONG-TERM
DEBT.

) DOCKET NO. W-02467A-10-0483

Arizona Corporation Commission

DOCKETED

JUN 30 2014

DOCKETED BY

**REPORT TO THE
COMMISSIONERS AND
REQUEST FOR
EXTENSION OF TIME**

Pursuant to order of the Commission dated February 13, 2014, Granite Mountain Water Company, Inc. (GMWC) was ordered as follows:

1. To address its inadequate storage capacity by acquiring and adding to its system by June 30, 2014, a production well and a 50,000 gallon storage tank.
2. The commission acknowledged approvals to construct and already filed for the addition of well #6, as a production well and addition of a 50,000 gallon storage tank.
3. To allow Granite Mountain Water Company, Inc. to satisfy the requirements for filing of the Approvals Of Construction by filing, no later than June

1 30, 2014, copies of an approval of construction for well #6, and copies of an
2 approval of construction of a 50,000 gallon storage tank.

3 4. By findings of fact 15 (a), (b), (c),(d) and (e) also finding of Fact #18
4 modifying prior decisions and granted authority to incur \$181,320 in long-term debt
5 with WIFA,

6 (a) To allow for the authorized \$181,320 in long-term debt to be used
7 to cover the costs of acquiring and adding a production well and a 50,000-gallon
8 storage tank;

9 (b) To extend to June 30, 2014, the expiration date for any unused
10 authorization;

11 (c) To require GMWC, within 60 days after execution of the financing
12 documents, to docket a letter summarizing the financing transaction and provide a
13 copy of the executed loan documents to Staff's Compliance Section (rather than
14 requiring GMWC to docket copies of the financing documents);

15 (d) To extend the filing deadlines for the ATCs for the production well
16 and storage tank, to be consistent with the other extended deadlines; and

17 (e) To extend the filing deadlines for the AOCs for the production well
18 and storage tank, to June 30, 2014.

19 Pursuant to said Order and Findings of Fact GMWC has:

20 1. Acquired and added to its system a production well, well-site, well-
21 house and easement for accessing its supply lines to its storage tank location. It has
22 furthermore acquired replacement well-site for a future well to replace its
23 "Grandfathered" well when needed. This has been accomplished pursuant to
24 instrument entitled Granite Mountain Short Spur Easement, recorded with the
25 Yavapai County Recorder on 5/29/14, their **Document # 2014-0024246**, a copy of
which is attached as Exhibit "A".

1 This transmission and an acceptance of well #6 was approved by the
2 Commission Order and approved and accepted by WIFA.

3 2. The long term financing with WIFA was obtained pursuant to the
4 Order and the loan closed May 29, 2014 upon execution of all closing instruments
5 by the parties and with legal opinion of borrowers' attorney. Fully executed copies
6 of the financing agreement are to be delivered to the parties but have not yet been
7 received from WIFA.

8 3. In finding of fact #15 and #18 and the Order #1 the commission
9 allowed GMWC to obtain through long-term debt, up to \$181,320 to cover the cost
10 of acquiring and adding to its system a production well and a 50,000 gallon storage
11 tank. That funding was obtained and completed by WIFA on the 29th day of May,
12 2014 and the loan became fully funded.

13 GMWC reports that it has acquired by adding to its system by June 30, 2014 a
14 production well (#6), a well-site and necessary easements.

15 GMWC further reports that as of the time this report the well pump for the
16 acquired well is in the process of being installed in the well and will be completed by
17 June 30, 2014.

18 GMWC further reports that the well and new pump is in the process of being
19 connected to the GMWC mainlines leading to the tank area, and that connection
20 will be completed before June 30, 2014.

21 GMWC reports that it is in the process of receiving bids and accepting a bid
22 for the construction of the 50,000 gallon storage tank. The size and configuration of
23 the approved storage tank makes it difficult if not impossible to build the tank and
24 transport and place it at the location which was prepared for such tank in 2010. It
25 therefore it becomes necessary to build and connect the tank on-site as intended and
set forth in the plans.

1 Because of the shortness of the time after the approval of financing on May
2 29, 2014 and the deadline date of June 30, 2014 it has become impossible to
3 complete the construction and connection of the tank by June 30, 2014.

4 Therefore we respectfully request an extension of time until November 1,
5 2014 to complete the construction and file with the Commission the Certificate of
6 Approval of construction for the 50,000 gallon storage tank.

7 Though, the well, pump, and connecting line to the main delivery line will be
8 completed on or before June 30, 2014 enabling use of the new system to pump
9 water into the old tanks, we request additional time to complete the new tank.

10 GMWC respectfully requests that the filing of Approval of Construction of
11 the pump, being placed in the new well and the contract for connecting between the
12 well and GMWC delivery lines, to the tank area, be extended for at least 30 days in
13 order to file approval of construction of the pump installation and connecting of the
14 well to the system.

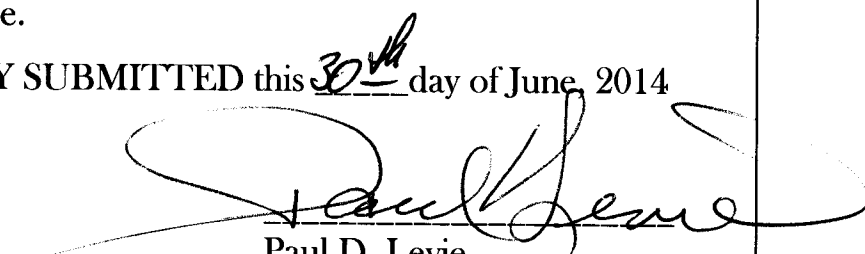
15 The company reports that the well, well pump and connecting lines necessary
16 to pump water from well #6 into our current 67,000 gallon tank capacity will be
17 completed by June 30, 2014. Certificate of Approval of Construction will thereafter
18 be filed.

19 Notwithstanding the difficulties GMWC has encountered in complying with
20 the Commission decision requiring increased storage capacity by an additional well
21 or increased storage tank and the long extended time, (over 3 years) to complete the
22 project, GMWC has constantly and without fail provided quality, low cost water to
23 its customers at its then scheduled low prices and met all storage needs, and it gets
24 the new well, and the storage tank and a future well-site.

25 GMWC now has a much better water system to meet future needs with the
new well now connected to the company's supply lines it will be able to meet all

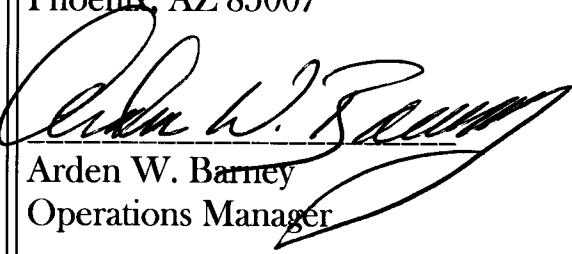
1 storage needs and do so until the additional storage tank is completed in the near
2 future and for many years to come.

3 RESPECTFULLY SUBMITTED this 30th day of June, 2014

4 
5 Paul D. Levie
6 Attorney for Granite Mountain
7 Water Company, Inc.

8 Original and 13 copies filed on
9 The 30th day of June, 2014, with:

10 Docket Control
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, AZ 85007

14 
15 Arden W. Barney
16 Operations Manager
17
18
19
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25

When recorded mail to:
Granite Mountain Water Co. Inc.
PO Box 350
Chino Valley AZ 86323

Granite Mountain Short Spur Easement

This grant of easement was made on the 30th day of October 2013 by
Sandia Properties LLC, a limited liability company duly organized pursuant to the
Laws of the state of Utah, 160 S. Viewcrest Drive, Bountiful, Utah 84010,
Grantor, by and through its Managing Member unto Granite Mountain Water
Company. An Arizona Corporation grantee, encompassing the property set
Forth in exhibit "A" here to attached.

Sandia Properties, LLC.


Johnathan Duke
Managing Member

STATE OF UTAH)

SS.

County of)

On this 30th day of October 2013, before me, the undersigned, Notary Public in
and for said State, personally appeared Jonathan Duke, proved to me to be the person
whose name is subscribed above, and acknowledge that he executed the same.

WITNESS MY HAND AND OFFICIAL SEAL

My Commission Expires: 11/3/17


Notary Public

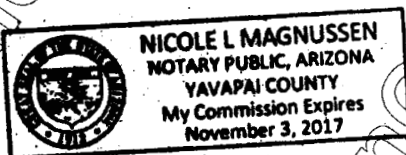


EXHIBIT "A"

**NEXUS SOUTHWEST, LLC
REGISTERED LAND SURVEYORS**



212 S. Marina St. • Prescott, Arizona 86303
Phone 928-778-5101 • Fax 928-778-9321 • info@nexus-sw.net

EASEMENT DESCRIPTION

An easement, located within the Southeast Quarter of Section 30, Township 15 North, Range 2 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

ALL of that certain parcel, described in instrument recorded in Book 4936 of Official Records, Page 54, on file in the Yavapai County Recorder's Office, Yavapai County, Arizona,

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PORTION OF SAID PARCEL:

Commencing at the most Northeasterly corner of the above described parcel;

Thence, North 64°00'30" West, a distance of 121.05 feet, along the North property line of the above described parcel;

Thence, South 25°59'30" West, a distance of 20.00 feet, to the **POINT OF BEGINNING**;

Thence, South 19°00'29" East, a distance of 20.98 feet;

Thence, South 70°59'31" West, a distance of 30.00 feet;

Thence, South 19°00'29" East, a distance of 40.00 feet;

Thence, South 30°29'40" West, a distance of 78.41 feet;

Thence, North 64°00'29" West, a distance of 123.46 feet;

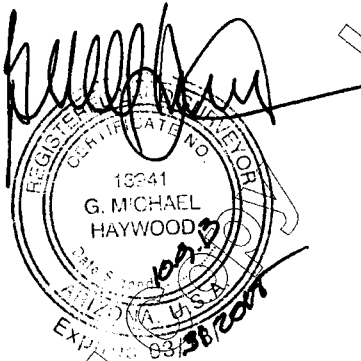
October 9, 2013

Job # 13-014

Granite Mtn Homesites, Short Spur Trail, Well #6 Esmnt Page 1 of 2

Thence, North 30°29'40" East, a distance of 142.94 feet;

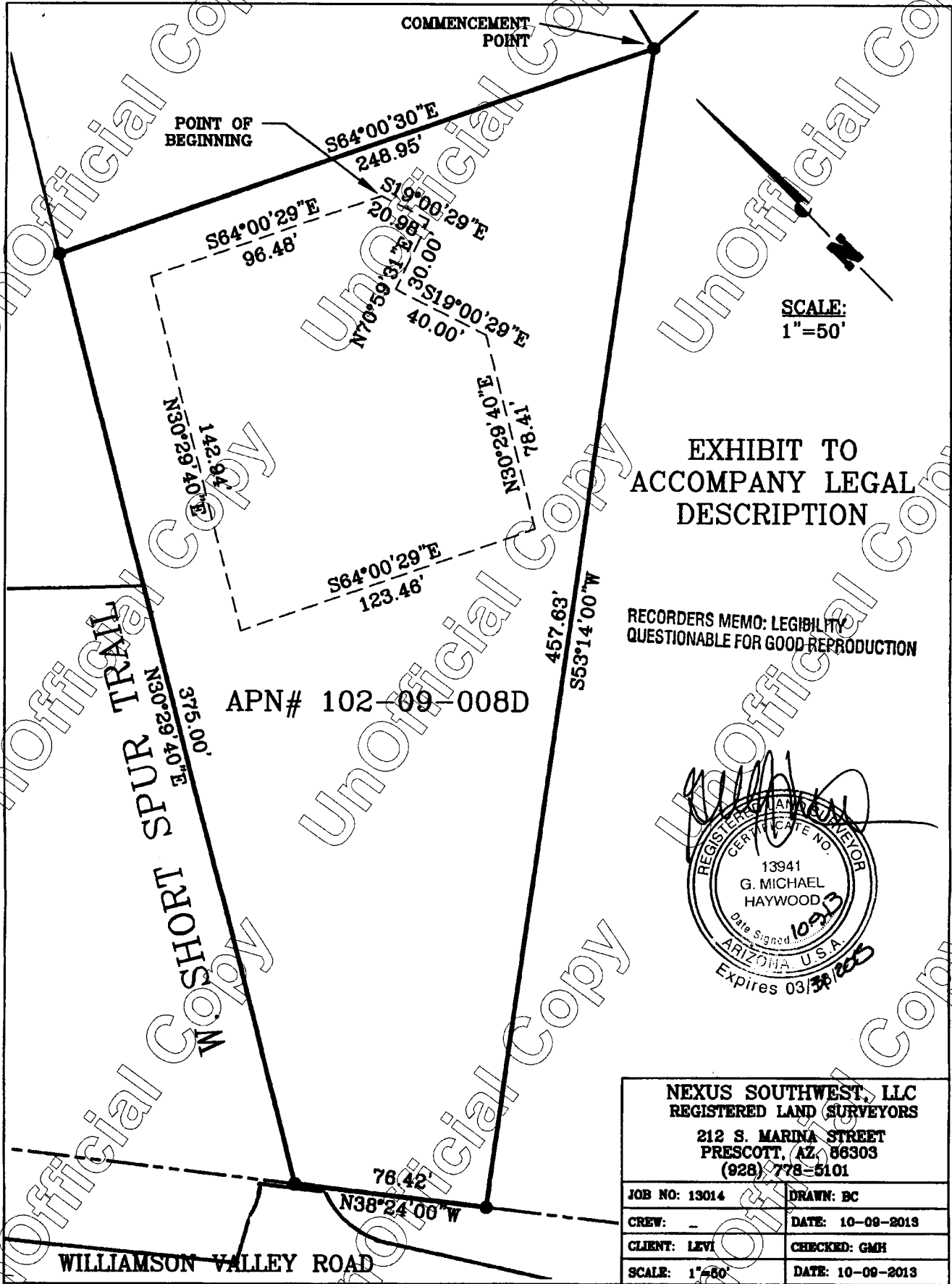
Thence, South 64°00'29" East, a distance of 96.48 feet, to the **POINT OF BEGINNING.**



ALSO EXCEPTED THEREFROM THE SHORT SPUR EASEMENT DESCRIPTION BEING THAT PARCEL DESCRIPTION PREPARED BY DAVA & ASSOCIATES #102-09-008D- RIGHT OF WAY CONTAINING 2986 SQUARE FEET.

October 9, 2013
Job # 13-014

Granite Mtn Homesites, Short Spur Trail, Well #6 Esmnt Page 2 of 2



ALSO EXCEPTED THEREFROM THE SHORT SPUR EASEMENT DESCRIPTION BEING THAT PARCEL DESCRIPTION PREPARED BY DAVA & ASSOCIATES #102-09-008D- RIGHT OF WAY CONTAINING 2986 SQUARE FEET.

EXHIBIT "A"

DAVA & ASSOCIATES, INC.

PLANNING • ENGINEERING • SURVEYING

810 E. Union Street, Prescott, AZ 86303

(928) 778-7587

102-09-008D RIGHT-OF-WAY

A portion of that parcel described in Book 4019 of Official Records, Page 50, in the Yavapai County Recorder's Office, and located in Section 30, Township 15 North, Range 2 West of the Gila and Salt River Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the most southerly corner of that parcel described in Book 4019 of Official Records, Page 50, in the Yavapai County Recorder's Office, which is also a point on the northeast right-of-way of Williamson Valley Road, as shown in Book 18 of Maps and Plat, Page 20, in the Yavapai County Recorder's Office, and is identified by a 1/2" rebar with no cap or tag;

thence, along the southwesterly boundary of said parcel, and the northeast right-of-way of said Williamson Valley Road, North 37°57'59" West, 76.39 feet to the most westerly corner of said parcel;

thence, along the northwesterly boundary of said parcel, North 30°55'41" East, 29.00 feet;

thence, departing the northwesterly boundary of said parcel, South 49°12'25" East, 89.85 feet to a point on the southeasterly boundary of that parcel described in Book 4019 of Official Records, Page 50, in the Yavapai County Recorder's Office;

thence, along the southeasterly boundary of said parcel, South 53°41'45" West, 44.59 feet to the **POINT OF BEGINNING**.

This description yields 2,986 square feet.

I certify that, I, Thomas G. Callahan, am a Registered Land Surveyor in the State of Arizona, that this description was prepared under my direction and contains adequate information to allow retracement thereof.



EXPIRES 6/30/2011

EXHIBIT

A PORTION OF SECTION 30
T. 15 N., R. 2 W., G. & S. R. M.,
YAVAPAI COUNTY, ARIZONA

RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION



NORTH
1"=60'

102-09-008H

APN
102-09-008D

WILLIAMSON VALLEY ROAD

RIGHT-OF-WAY
DESCRIBED

P.O.B.

DAVE & ASSOCIATES, INC.
310 EAST UNION STREET
PRESCOTT, ARIZONA 86303
928-778-7587

555WR2\DWG\CDP\DESCRIPTIONS\WVR-154.DWG TMS 03/01/2010
SEE 555WR2\WORD\DESCRIPTIONS\WVR-154.DSC.DOC